Financial Statements

For the Year Ended April 30, 2005

Regina, Saskatchewan, Canada

UNIVERSITY OF
REGINA

University of Regina

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University of Regina

Statement of Management Responsibility

For the Year Ended April 30, 2005

The University is responsible for the preparation of the financial statements and has prepared them in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants (CICA). The University believes the financial statements present fairly the University's financial position as at April 30, 2005 and the results of its operations for the year then ended.

The University's Board of Governors is responsible for overseeing the business affairs of the University and also has the responsibility for approving the financial statements. The Board has delegated certain of the responsibilities to its Finance and Audit Committee including the responsibility for reviewing the annual financial statements and meeting with management and the Provincial Auditor of Saskatchewan on matters relating to the financial process. The Provincial Auditor has full access to the Finance and Audit Committee with or without the presence of management.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained. The Provincial Auditor of Saskatchewan reports to the Board as to the adequacy of these controls.

The financial statements for the year ended April 30, 2005 have been reported on by the Provincial Auditor Saskatchewan, the auditor appointed under *The University of Regina Act*. The Auditor's Report on the following page outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.

Dr. David T. Barnard
President

for Professor Kathryn E. Laurin
Acting Vice-President (Administration)

Date: July 14, 2005

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Regina as at April 30, 2005 and the statements of operations and changes in fund balances and cash flows for the year then ended. The University's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
July 14, 2005

University of Regina

Statement of Financial Position

As at April 30, 2005

(in thousands of dollars)

Statement 1

	General	Restricted	Endowment	Total	Total 2004 (restated - Note 20)
Current Assets					
Cash (Note 4)	$ (19,655)	$ 18,039	$ -	$ (1,616)	$ 4,691
Accounts receivable (Note 8)	5,640	15,558	1	21,199	20,150
Inventories	2,793	-	-	2,793	2,276
Prepaid expenses	454	54	-	508	1,129
Short-term investments	20,108	33,000	-	53,108	-
	9,340	66,651	1	75,992	28,246
Long-Term Assets					
Long-term investments	-	8,506	18,072	26,578	24,850
Long-term Loan Receivable	-	1,300	-	1,300	1,269
Accrued pension benefit asset (Note 11)	15,213	-	-	15,213	31,938
Capital assets (Note 5)	-	184,046	-	184,046	171,009
	15,213	193,852	18,072	227,137	229,066
	$ 24,553	$ 260,503	$ 18,073	$ 303,129	$ 257,312
Current Liabilities					
Accounts payable and other accrued liabilities	$ 10,011	$ 1,046	$ 1	$ 11,058	$ 10,561
Deferred income	2,553	-	-	2,553	898
Current portion of long-term debt (Note 6)	-	1,571	-	1,571	644
	12,564	2,617	1	15,182	12,103
Long-Term Liabilities					
Long-term debt (Note 6)	-	60,445	-	60,445	37,321
Due to (from) other funds (Note 7)	(68)	68	-	-	-
Accrual for employee future benefits (Note 11)	1,423	-	-	1,423	798
	1,355	60,513	-	61,868	38,119
Fund Balances					
Externally restricted funds	-	34,674	18,072	52,746	49,424
Internally restricted funds (Note 13)	18,433	3,402	-	21,835	40,559
Invested in capital assets	-	159,297	-	159,297	124,618
Unrestricted funds	(7,799)	-	-	(7,799)	(7,511)
	10,634	197,373	18,072	226,079	207,090
	$ 24,553	$ 260,503	$ 18,073	$ 303,129	$ 257,312

Approved by the Board of Governors

Chair, Board of Governors

for Acting Vice-President (Administration)

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement of Operations and Changes in Fund Balances

For the Year Ended April 30, 2005

(in thousands of dollars)

Statement 2

	General	Restricted	Endowment	Total	Total 2004 (restated - Note 20)
Revenues					
Grants and contracts					
Government of Canada	$ 1,862	$ 13,684	$ -	$ 15,546	$ 12,011
Government of Saskatchewan	59,972	46,484	-	106,456	75,806
Other	1,183	5,166	-	6,349	6,988
Student fees	38,689	118	-	38,807	36,681
Contributions, gifts, donations and bequests	1,232	4,157	140	5,529	10,462
Sales of services and products	18,347	1,462	-	19,809	15,837
Income from investments	236	1,807	67	2,110	4,513
Miscellaneous income	1,920	822	-	2,742	2,692
Income from operating leases (Note 16)	-	54	-	54	505
	123,441	73,754	207	197,402	165,495
Expenses					
Salaries					
Academic	38,829	672	-	39,501	38,369
Other	36,220	2,874	-	39,094	36,305
Employee benefits (Note 12)	28,289	250	-	28,539	17,462
Operational supplies and expenses	6,891	2,528	1	9,420	9,425
Travel	3,038	1,559	-	4,597	4,307
Cost of goods sold	5,928	-	-	5,928	5,605
Equipment, rental, maintenance & renovations	9,918	4,180	-	14,098	8,590
Utilities	5,350	63	-	5,413	5,150
Amortization of capital assets	540	16,102	-	16,642	15,545
(Gain) loss on disposal of capital assets	46	367	-	413	(3,474)
Scholarships, bursaries and prizes	4,194	5,475	1	9,670	8,567
Interest	1,553	1,472	-	3,025	538
Wascana Centre Authority levy	553	-	-	553	521
Bad debt expense	399	1,120	1	1,520	155
	141,748	36,662	3	178,413	147,065
Net revenues (expenses)	(18,307)	37,092	204	18,989	18,430
Interfund transfers (Note 14)	(876)	544	332	-	-
Net (decrease) increase in fund balances for year	(19,183)	37,636	536	18,989	18,430
Fund balances, beginning of year	29,817	159,737	17,536	207,090	188,660
Fund balances, end of year	$ 10,634	$ 197,373	$ 18,072	$ 226,079	$ 207,090

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement of Cash Flows

For the Year Ended April 30, 2005

(in thousands of dollars)

Statement 3

	General	Restricted	Endowment	Total	Total 2004 (restated - Note 20)
Operating Activities					
Net revenues (expenses)	$ (18,307)	$ 37,092	$ 204	$ 18,989	$ 18,430
Add back items not affecting cash:					
Amortization of capital assets	540	16,102	-	16,642	15,545
Unrealized gains on mutual funds	-	(872)	(40)	(912)	(3,418)
Loss (gain) on disposal of capital assets	46	367	-	413	(3,474)
Donated Shares	-	(315)	-	(315)	
Forgiveness of long-term debt	-	-	-	-	(200)
Decrease (increase) in non-cash working capital	2,076	(866)	1	1,211	(15,488)
Decrease in accrued pension benefit asset	16,725	-	-	16,725	6,889
Increase in long-term accrual for employee future benefits	625	-	-	625	283
Cash generated by operating activities	1,705	51,508	165	53,378	18,567
Investing Activities					
Purchases of investments	(26,108)	(36,124)	(499)	(62,731)	(42,816)
Sales of investments	6,000	3,120	2	9,122	41,481
Purchases of capital assets:					
Buildings	(718)	(15,421)	-	(16,139)	(52,350)
Site improvements	-	(3,407)	-	(3,407)	(1,148)
Furnishings and equipment	(1,780)	(6,749)	-	(8,529)	(6,666)
Software	(212)	(208)	-	(420)	(212)
Library resources	(1,621)	-	-	(1,621)	(1,267)
Leasehold improvement	-	-	-	-	-
Sale of capital assets:					
Buildings	-	-	-	-	11,000
Furnishings	22	1	-	23	39
Cash used in investing activities	(24,417)	(58,788)	(497)	(83,702)	(51,939)
Financing Activities					
Issuance of long-term debt	-	24,866	-	24,866	28,805
Repayment of long-term debt	-	(815)	-	(815)	(225)
Increase in long-term loan receivable	-	(135)	-	(135)	(471)
Repayment of long-term loan receivable	-	101	-	101	71
Issuance of internal loans	263	(263)	-	-	-
Repayment of demand loan	-	-	-	-	(5,823)
Cash used in financing activities	263	23,754	-	24,017	22,357
Net change in cash	(22,449)	16,474	(332)	(6,307)	(11,015)
Interfund adjustments	2,846	(3,178)	332	-	-
Cash, beginning of year	(52)	4,743	-	4,691	15,706
Cash, end of year	$ (19,655)	$ 18,039	$ -	$ (1,616)	$ 4,691

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement of Operations and Changes in Fund Balances - General Fund

For the Year Ended April 30, 2005

(in thousands of dollars)

Statement 4

	Operating	Vacation Pay and Pension Accrual	Ancillary	Special Projects	Total	Total 2004 (restated - Note 20)
Revenues						
Grants and contracts						
Government of Canada	$ 1,519	$ -	$ -	$ 343	$ 1,862	$ 1,883
Government of Saskatchewan	59,862	-	-	110	59,972	57,816
Other	800	-	-	383	1,183	830
Student fees	38,329	-	-	360	38,689	36,433
Contributions, gifts, donations and bequests	976	-	-	256	1,232	303
Sales of services and products	7,196		9,995	1,156	18,347	14,174
Income from investments	188	-	48	-	236	533
Miscellaneous income	679	166	664	411	1,920	2,106
	109,549	166	10,707	3,019	123,441	114,078
Expenses						
Salaries						
Academic	38,273	-	-	556	38,829	37,521
Other	33,235	-	2,087	898	36,220	32,787
Employee benefits	10,611	17,323	280	95	28,289	17,071
Operational supplies and expenses	5,002	-	694	1,195	6,891	6,563
Travel	2,458	-	23	557	3,038	2,748
Cost of goods sold	2,239	-	3,689	-	5,928	5,605
Equipment, rental, maintenance & renovations	7,831	-	1,637	450	9,918	6,882
Utilities	4,955	-	389	6	5,350	5,111
Amortization of capital assets	-	-	540	-	540	520
Gain on disposal of capital assets	-	-	46	-	46	(12)
Scholarships, bursaries and prizes	3,841	-	3	350	4,194	4,250
Interest	17	-	1,536	-	1,553	283
Wascana Centre Authority levy	553	-	-	-	553	521
Bad debt expense	399	-	-	-	399	146
	109,414	17,323	10,904	4,107	141,748	119,996
Net revenues (expenses)	135	(17,157)	(197)	(1,088)	(18,307)	(5,918)
Interfund transfers (Note 14)	(1,463)	(11)	(1,183)	1,781	(876)	(1,970)
Net (decrease) increase in fund balances for year	(1,328)	(17,168)	(1,380)	693	(19,183)	(7,888)
Fund balances, beginning of year	(2,407)	29,337	589	2,298	29,817	37,705
Fund balances, end of year	$ (3,735)	$ 12,169	$ (791)	$ 2,991	$ 10,634	$ 29,817

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement of Operations and Changes in Fund Balances - Restricted Fund

For the Year Ended April 30, 2005

(in thousands of dollars)

Statement 5

	Capital Asset	Research	Trust	Total	Total 2004
Revenues					
Grants and contracts					
Government of Canada	$ -	$ 12,996	$ 688	$ 13,684	$ 10,127
Government of Saskatchewan	41,535	4,922	27	46,484	17,990
Other	2,000	3,064	102	5,166	6,158
Student fees	-	118	-	118	249
Contributions, gifts, donations and bequests	-	186	3,971	4,157	9,885
Sales of services and products	202	1,260	-	1,462	1,663
Income from investments	351	-	1,456	1,807	2,391
Miscellaneous income	-	708	114	822	577
Income from operating leases (Note 16)	54	-	-	54	505
	44,142	23,254	6,358	73,754	49,545
Expenses					
Salaries					
Academic	-	672	-	672	848
Other	15	2,679	180	2,874	3,507
Employee benefits	-	248	2	250	391
Operational supplies and expenses	179	2,280	69	2,528	2,862
Travel	-	1,543	16	1,559	1,559
Equipment, rental, maintenance & renovations	2,510	1,663	7	4,180	1,708
Utilities	-	63	-	63	39
Amortization of capital assets	16,102	-	-	16,102	15,025
(Gain) loss on disposal of capital assets	367	-	-	367	(3,462)
Scholarships, bursaries and prizes	-	2,838	2,637	5,475	4,301
Interest	1,471	1	-	1,472	255
Bad debt expense	-	-	1,120	1,120	-
	20,644	11,987	4,031	36,662	27,033
Net revenues	23,498	11,267	2,327	37,092	22,512
Interfund transfers (Note 14)	11,181	(9,942)	(695)	544	1,686
Net increase in fund balances for year	34,679	1,325	1,632	37,636	24,198
Fund balances, beginning of year	124,618	19,557	15,562	159,737	135,539
Fund balances, end of year	$ 159,297	$ 20,882	$ 17,194	$ 197,373	$ 159,737

The accompanying notes are an integral part of these financial statements.

University of Regina

Notes to the Financial Statements

For the Year Ended April 30, 2005

(in thousands of dollars)

1. Authority and Purpose

The University of Regina became an autonomous institution on July 1, 1974 by an Act of the Saskatchewan Legislature. Its authority is *The University of Regina Act*, Chapter U-5, of the Province of Saskatchewan. The University is a registered charitable organization under the *Income Tax Act*.

The purpose of the University is the preservation, transmission, interpretation and enhancement of the cultural, scientific and artistic heritage of the human race, and the acquisition and expansion of new knowledge and understanding.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants (CICA).

(a) Fund Accounting

The University follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The Statement of Operations and Changes in Fund Balances shows the total revenues and expenses of the University, after elimination of interfund transactions with ancillaries and internal cost recoveries. The University has classified accounts with similar characteristics into major funds as follows:

i) **The General Fund** accounts for the University's program delivery, service and administrative activities. This fund reports unrestricted resources. The General Fund is further classified as Operating, Vacation and Pension Accrual Fund, Ancillary, and Special Projects.

- General – Operating Fund contains the academic, administrative and operational costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, and sales of goods and services to external parties. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.

- General – Vacation and Pension Accrual Fund records the amount of unpaid vacation pay for academic and non-academic staff which will be funded from future revenues. It also records the accrued pension benefit asset or liability and the pension expense, other than the amount of the pension expense equal to employer contributions, which is recorded in the fund from which it is paid.

- General – Ancillary Fund is composed of Ancillary Enterprises that provide goods and services to the University community. They are composed of the Bookstore, Residence Services, Printing Services, Parking Services, Food Services, automated teller machines and confectionery store. Ancillary Enterprises operate on a fee-for-service basis and must be self-funding. Charges to other University funds are eliminated for financial statement purposes by removing them from Ancillary revenues and expenses.

- General – Special Projects Fund consists of a number of individual funds used to track operating projects' costs and recoveries. These projects involve consulting, training, and time-limited projects.

ii) **The Restricted Fund** reports only restricted resources that are to be used for specific purposes. The Restricted Fund is further classified as Capital Asset, Research, and Trust.

- Restricted – Capital Asset Fund holds all assets owned by the University along with the long-term debt on certain of these capital assets.

- Restricted – Research Fund consists of grant and contract income and expenses specifically identified for research or related activities as restricted by granting agencies, research institutes and other public and private organizations.

- Restricted – Trust Fund consists of externally restricted resources that may be used in their entirety within the restrictions established by the provider of the funds. The bulk of these funds are restricted for the provision of scholarships or annual lectures.

iii) **The Endowment Fund** reports resources contributed for endowment. Restrictions placed on the fund by the original provider preclude the original fund balance from being spent.

(b) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(c) Capital Assets

Purchased capital assets are recorded at cost. Donated assets are reported at fair market value when received by the University. The University capitalizes all assets costing more than $2 and all computer-related assets costing more than $.5, except library resources, which are

capitalized regardless of cost. The University capitalizes upgrades to buildings and site improvements greater than $10, except for Ancillary Enterprises, which have all upgrades capitalized regardless of cost. Assets costing less than these thresholds are expensed in the year purchased.

Capitalized assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	- temporary	20 years
	- permanent	40 years
Site improvements		10 to 40 years
Furnishings and equipment		3 to 30 years
Software		3 to 8 years
Library resources		10 years
Leasehold improvements		life of lease

Amortization of Ancillary assets is recorded in the General - Ancillary Fund. All other amortization is recorded in the Restricted - Capital Asset Fund.

An estimate for disposals or withdrawals of library holdings for superseded, poor condition, irrelevant, lost or stolen books is calculated at 1.05 percent of the net capitalized value of library holdings at the end of the preceding year.

Collections are not capitalized or amortized. All additions to collections are expensed in the year purchased.

The original land that was transferred to the University when it became a separate legal institution is reported on the statement of financial position at a nominal value of $1. This land includes 20 acres at the College Avenue Campus and 357 acres at the Main Campus. In 1989, the Main Campus was appraised by Crown Appraisals of Regina at four dollars per square foot for a total value of $62,204.

During fiscal year 2000, the University transferred a parcel of land totaling 32.6 acres to the Saskatchewan Indian Federated College (SIFC), now called the First Nations University of Canada (FNUC), to accommodate their new building. The value of this land is estimated at $8,500.

(d) Investments

i) Gains or losses on disposal are recorded in the year of disposal.

ii) Mutual funds are recorded at fair market value. Both realized and unrealized gains and losses are recognized as changes in the market values occur.

iii) Other investments are carried at cost.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value which is principally determined by the first in, first out method.

(f) Donations

Donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-Kind, including works of art, equipment, investments and library holdings, are recorded at fair market value on the date of their donation.

(g) Pledges and bequests

Pledges and bequests are recorded as contributions in the period when pledged or bequeathed if the amounts to be received can be reasonably estimated and if collection is reasonably assured.

Pledges and bequests of $1,534 (2004 - $535) were not included in the financial statements because their ultimate collection cannot be reasonably assured.

(h) Interest Rate Swaps

An interest rate swap is a derivative financial contractual agreement between two counter-parties who generally exchange fixed and floating rate interest cash flows based on a notional amount derived from the value of underlying assets or liabilities.

The University has entered into interest rate swap agreements with the Canadian Imperial Bank of Commerce in order to manage the interest rate exposure associated with certain debt obligations. The contracts have the effect of exchanging the floating interest rate cash flows from the underlying short-term debt instruments with fixed interest rate cash flows based on a notional amount. Because the long-term swap agreements effectively and completely hedge the interest costs on the underlying debt obligations, the University is using hedge accounting and reflecting the obligations as long-term debt in the financial statements.

(i) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other externally restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources is recorded in the appropriate fund, depending on the external restriction placed on that income. If it must become part of the endowment amount, it is recognized as revenue of the Endowment Fund. If it may be spent for a restricted purpose, it is recorded as revenue of that restricted fund. If there are no restrictions on the income, it is reported as income of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

3. Collections

(a) Collection of Rare Books, Records and Papers

The University Library maintains a collection of rare books and runs of bound old magazines. The collection is increased either by purchases or donations, which are minimal. The University does not dispose of items in this collection.

The University of Regina Archives collects the official records of the University of Regina, and private papers in various disciplines. The University Archives currently does not purchase or sell any items. All records and papers are transferred or donated.

(b) Art Collection

The MacKenzie Art Gallery manages part of the University's art collection as described in note 17 to these financial statements. The University also owns various works of art including paintings, banners, sculptures, and drawings. Additions to and disposals of this collection are generally few. However, during the current year, the University accepted donations of art work totaling $916.

(c) Collection of Geographical Maps

The University's map library is a reference library containing maps, air photos, atlases, globes and documents on cartography and land use. Most additions come in the form of donations from government and private individuals. It is also a depository for the National Topographic Survey, who sends new and revised maps to the library monthly. The map library does not sell any items in its collection.

For the Year Ended April 30, 2005
(in thousands of dollars)

4. Cash

The University has a revolving line of credit at the Canadian Imperial Bank of Commerce.

5. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2005	2004	2005	2004	2005	2004
Land	$ 1	$ 1	$ -	$ -	$ 1	$ 1
Buildings	193,974	180,951	59,703	53,989	134,271	126,962
Site Improvements	26,292	23,119	11,234	10,665	15,058	12,454
Furnishings & Equipment	54,171	47,052	31,846	28,316	22,325	18,736
Software	3,885	3,506	3,008	2,558	877	948
Library Resources	41,790	40,596	32,628	31,251	9,162	9,345
Leasehold Improvements	2,981	2,981	629	418	2,352	2,563
	$ 323,094	$ 298,206	$ 139,048	$ 127,197	$ 184,046	$ 171,009

At year-end, the University had $10,760 (2004 - $65,730) in building, site improvements, software assets and equipment upgrades that were in progress. These upgrades are capitalized but not amortized at year-end.

During the year, the University disposed of the following amounts of assets:

- Library Resources with an original cost of $426 (2004 – $417), in accordance with the policy described in note 2(c);
- Software with an original cost of $41 (2004 - $9);
- Buildings with an original cost of $1,846 (2004 - $10,935). The University sold 2 buildings during 2003 and made some major replacement upgrades;
- Furnishings and Equipment with an original cost of $2,680 (2004 - $3,963);
- Site Improvements with an original cost of $235 (2004 - $0).

For the Year Ended April 30, 2005
(in thousands of dollars)

6. Long-Term and Short-Term Debt

Title of Issue	Interest Rate	Annual Repayment Terms	2005	2004
College West Residence Building Debenture, will be fully repaid Dec. 31, 2024, secured by building	7.25%	$ 155 principal & interest	$ 1,626	$ 1,661
Daycare Centre Long-Term Loan, due Jan. 6, 2014, will be fully repaid Mar. 6, 2015	5.19%	$ 54 principal & interest	419	451
Banker's Acceptance supporting the Riddell Centre	2.628% (Canadian – Bankers Acceptance – Canadian Deposit Offering Rate (CAD-BA-CDOR) + spread of .025% at April 30, 2005)	Revolves monthly at progressively smaller amounts until April 2012	750	838
Riddell Centre Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates April 2012	4.88%	$126 principal & interest	(notional amount equal to above)	(notional amount equal to above)
Banker's Acceptance supporting the SIFC Parking Lot	2.628% (CAD-BA-CDOR + spread of .025% at April 30, 2005)	Revolves monthly at progressively smaller amounts until April 2023	476	490
SIFC Parking Lot Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates April 2023	5.78%	$42 principal & interest	(notional amount equal to above)	(notional amount equal to above)
Banker's Acceptance supporting Luther	2.628% (CAD-BA-CDOR + spread of .025% at April 30, 2005)	Revolves monthly at progressively smaller amounts until Oct. 2014	806	870
Luther Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates Oct. 2014	5.17%	$107 principal & interest	(notional amount equal to above)	(notional amount equal to above)
Totals carried to next page			$4,077	$4,310

For the Year Ended April 30, 2005

(in thousands of dollars)

Title of Issue	Interest Rate	Annual Repayment Terms	2005	2004
Total carried from previous page			$ 4,077	$ 4,310
Banker's Acceptance supporting the new Residence	2.628% (CAD-BA-CDOR + spread of .025% at April 30, 2005)	Revolves monthly at progressively smaller amounts until Oct. 2029	39,903	32,284
Residence Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates Oct. 2029	6.107%	$3,140 principal & interest	(notional amount equal to above)	(notional amount equal to $31,596)
Banker's Acceptance supporting 2003-04 capital grant	2.628% (CAD-BA-CDOR + spread of .025% at April 30, 2005)	Revolves monthly at progressively smaller amounts until Jan. 2019	1,307	1,371
2003-04 Capital Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates Jan. 2019	5.24%	$134 principal & interest	(notional amount equal to above)	(notional amount equal to above)
Banker's Acceptance supporting 2004-05 capital grant	2.628% (CAD-BA-CDOR + spread of .025% at April 30, 2005)	Revolves monthly at progressively smaller amounts until Dec. 2019	1,773	0
2004-05 Capital Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates Dec. 2019	4.90%	$170 principal & interest	(notional amount equal to above)	(notional amount equal to above)
Banker's Acceptance supporting multi-purpose grant	2.628% (CAD-BA-CDOR + spread of .025% at April 30, 2005)	Revolves monthly at progressively smaller amounts until Dec. 2024	14,956	0
Multi-purpose Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates Dec. 2024	5.26%	$1,222 principal & interest	(notional amount equal to above)	(notional amount equal to above)
			62,016	37,965
Less Current Portion			(1,571)	(644)
			$ 60,445	$ 37,321

For the Year Ended April 30, 2005

(in thousands of dollars)

The interest and principal repayments for the next five years are:

	Interest	Principal
2005/06	$ 3,580	$ 1,571
2006/07	3,483	1,662
2007/08	3,365	1,758
2008/09	3,261	1,861
2009/10	3,151	1,969

7. Due To/From Other Funds

Purpose and Funds Involved	Interest Rate	Annual Repayment Terms	2005	2004
Restricted - Trust holds the assets to pay the pensions under the Supplementary Executive Retirement Plan recorded in General – Vacation and Pension Accrual	n/a	As pensions are paid, this amount will be reduced	$ 468	$ 331
Restricted – Capital Asset Fund loan to General – Operating Fund to help pay for equipment for the Centre for Kinesiology and Health Services.	n/a	$100,000 annually	$ 400	$ -

8. Accounts Receivable

Accounts receivable are composed of the following:

	2005	2004
Accounts receivable	$ 14,282	$ 12,474
Loans receivable (current portion)	66	62
Pledges receivable	7,902	8,424
Allowance for doubtful accounts	(1,051)	(810)
Net receivables	$ 21,199	$ 20,150

For the Year Ended April 30, 2005

(in thousands of dollars)

9. Expenses by Function

	2005	2004
Credit Instruction & Non-sponsored research	$ 68,882	$ 61,262
Non-Credit Instruction	5,510	4,315
Library	6,196	6,450
Computing	5,133	4,716
Administration and General	18,380	13,282
Physical Plant	15,863	12,649
Student Services	6,772	5,974
Ancillary	10,904	8,073
Special Projects	4,107	3,275
Capital	20,644	12,096
Research	11,988	12,496
Trust & Endowment	4,034	2,477
Total Expenses	$ 178,413	$ 147,065

10. Financial Instruments

a) Significant financial instruments, terms and conditions:

The University's significant financial instruments consist of cash, accounts receivable, long-term loans receivable, accounts payable, investments, interest rate swap derivatives and long-term debt instruments. There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing, or certainty of future cash flows. Significant terms and conditions for the long-term financial instruments are disclosed separately in these notes.

b) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate. This fluctuation could result from changes in market conditions, such as interest rates. The University is exposed to market risk due to its investment in equity mutual funds. Investing with a reputable company who maintains a diversified portfolio minimizes this risk. The University is also exposed to market risk as a result of executing interest rate swap agreements. At any given time subsequent to execution, a derivative instrument will have a market value – the University will either have to make a payment, or will be entitled to receive a payment, in order to effectively pay the fixed interest rate under each swap agreement.

c) Interest rate risk:

Interest rate risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount due to changes in interest rates. The University is exposed to interest rate risk in its investment in money market and bond mutual funds and bank line of credit. The

University has effectively hedged its interest rate risk for a large portion of its debt obligations by entering into interest rate swap agreements.

d) Credit risk:

Credit risk is the risk that a party owing money to the University will fail to discharge that responsibility. The University is exposed to credit risk from the potential non-payment of accounts and long-term loans receivable and non-return of money invested in mutual funds. It is also exposed to credit risk, or counter-party risk, through potential default under the interest rate swap derivative contracts.

The maximum credit risk exposure for all items except the swaps is equal to the amounts disclosed on the Statement of Financial Position. The notional amounts of the swaps are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The University limits its credit exposure related to the swaps by dealing with a counter-party believed to have a good credit standing.

The University minimizes credit risk related to investments by investing with a reputable company.

The pledges receivable are from reputable corporations with a history of paying what they have pledged to the University.

Approximately 4% (2004 - 2%) of the University's accounts receivable are from students and employees. The credit risk from these is minimal as the University has various methods of recourse for collection such as withholding transcripts, certificates or degrees and payroll deduction.

Approximately 6% (2004 - 10%) of the University's accounts receivable are from the three federated colleges on campus, which are related parties. See also note 17 to these financial statements.

The other 90% (2004 - 88%) of accounts receivable are from the federal government, not-for-profit organizations, corporations and other universities.

e) Fair Value:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying amounts of cash, accounts receivable and accounts payable approximate their fair value due to their immediate or short-term nature.

- The carrying value of investments approximates their fair value, except for the investment in 140 shares of HTC Hydrogen Technologies Corporation, which is carried at cost of $315,

but has a fair value at April 30, 2005 of $630, determined by reference to its publicly traded value on the TSX Venture Exchange.

- The fair values of the debt instruments and swap derivatives as at April 30 are shown in the table below. The fair values of the debt instruments are determined using discounted cash flow analysis based on current incremental borrowing rates for similar borrowing arrangements. The fair values for the swap derivatives are determined using discounted cash flow analysis based on the current market rate applied to the debt underlying the swap derivatives, and will fluctuate as market interest rates change:

		2005	2004
Debt instruments	College West Building	$ 1,831	$ 1,879
	Daycare Centre	399	438
	Riddell Centre Debt	751	838
	SIFC Parking Lot debt	476	490
	Luther College debt	806	870
	Residence debt	39,903	32,284
	Capital debt 2003-04	1,307	1,370
	Capital debt 2004-05	1,773	-
	Multi-purpose debt	14,957	-
Swap derivatives (unrealized loss position at April 30)	Riddell Centre Swap agreement	60	88
	SIFC Parking Lot Swap agreement	135	166
	Luther College Swap agreement	98	134
	Residence Swap agreement	16,881	16,167
	Capital Swap agreement 2003-04	233	302
	Capital Swap agreement 2004-05	291	-
	Multi-purpose Swap agreement	3,795	-

11. Employee Future Benefits

The University is responsible for the administration of four pension plans.

The Pension Plan for the Academic and Administrative Employees of the University of Regina (Academic Plan) is a defined benefit (DB) best earning average pension plan, combined with a defined contribution (DC) component. The DB component was closed to new members effective January 1, 2000.

The University of Regina Supplementary Executive Retirement Plan (SERP) is a DB best earning average pension plan, combined with a DC component. The University's intention is to top up the pension allowed through the Academic Plan. The University is responsible for making benefit payments under the terms of the SERP as they become due and is not required to fund the obligation in advance. Included in the accrued pension benefit asset below is a liability of $296 (2004 - $180) relating to the unfunded SERP. The University has set aside cash in the Restricted - Trust Fund equal to the actuary's calculation of the accrued benefit liability added with the DC liability. This cash is still available to the University's creditors, and therefore is not used to compute the accrued benefit asset or liability.

The University of Regina Non-Academic Pension Plan (Non-Academic Plan) is a DB final average pension plan.

Actuarial valuations are completed at least every 3 years as prescribed by statute. The University funds the plans based on the amounts recommended by the actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. The assets including any potential surplus in the plan are for the benefit of the members and their beneficiaries. There is no provision that allows for the withdrawal of surplus by the University.

The cost of DB pensions is determined using the projected benefit method prorated on services, management's best estimates of expected long-term rate of return on plan assets, salary escalation, and inflation, along with a discount rate determined by reference to market interest rates on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. This cost is expensed as the employees provide services. Past service costs arising from plan amendments and changes in assumptions are amortized on a straight-line basis over the estimated average remaining service lifetime of the employee group (Academic Plan – 9.7 years, Non-Academic Plan – 14.9 years, SERP – 5.5 years). Experience gains and losses and gains or losses arising from plan curtailments and settlements are recognized in the year in which they occur. For purposes of calculating the expected return on plan assets, pension assets are valued at fair value extrapolated from December 31, 2004.

The University accounts for the cost of all employee future benefits including DC pension plans, severance payouts, early retirement top-ups, dental premiums, disability insurance, and other compensated absences on an accrual basis computed using a market-related discount rate. The University accounts for retirement bonuses for members of the Administrative, Professional and Technical (APT) bargaining union on an accrual basis. The calculations for this APT retirement bonus allocate the transitional obligation over an estimated average remaining service lifetime of 13.54 years.

The cost of DC benefits is expensed as earned by employees.

For the Year Ended April 30, 2005

(in thousands of dollars)

The status of all Employee Future Benefits is as follows:

	2005		2004	
	Pension	Non-Pension	Pension	Non-Pension
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 251,960	$ -	$ 242,922	$ -
Employer contributions	2,166	-	2,133	-
Employee contributions	2,166	-	2,146	-
Benefit payments	(15,172)	-	(11,333)	-
Expected return on plan assets	17,258	-	16,758	-
Experience (loss)	3,224	-	(666)	-
Fair value of plan assets at end of year	$ 261,602	$ -	$ 251,960	$ -
Change in benefit obligations:				
Benefit obligation at beginning of year	$(228,956)	$ (2,045)	$(209,848)	$ (2,216)
Current service cost	(5,443)	(719)	(4,531)	(174)
Employee contributions	(2,166)	-	(2,146)	-
Interest on benefit obligations	(14,332)	(124)	(13,371)	(127)
Past service improvement cost	-	-	-	-
Benefit payments	15,172	264	11,333	686
Experience gain (loss)	(19,009)	(238)	(10,393)	(214)
Net benefit obligation at end of year	$(254,734)	$ (2,862)	$(228,956)	$ (2,045)
Funded status:				
Plan assets in excess of benefit obligation	$ 6,869	$ (2,861)	$ 23,004	$ (2,045)
Unamortized past service costs	8,344	-	8,934	-
Unamortized transitional obligation	-	930	-	1,010
Valuation allowance	-	-	-	-
Accrued pension benefit asset (liability) recognized in Statement of Financial Position	$ 15,213	$ (1,931)	$ 31,938	$ (1,035)
Included in Accounts payable and other accrued liabilities	-	(508)	-	(237)
Long-term portion	$ 15,213	$ (1,423)	$ 31,938	$ (798)

For the Year Ended April 30, 2005

(in thousands of dollars)

	2005		2004	
	Pension	Non-Pension	Pension	Non-Pension
Pension expense:				
Current service cost	$ 5,443	$ 719	$ 4,531	$ 174
Interest on benefit obligations	14,332	124	13,371	127
Expected return on plan assets	(17,258)	-	(16,758)	-
Amortization of past service costs	590	-	590	-
Amortization of transitional liability	-	80	-	80
Immediate recognition of remaining (gains) losses	15,784	237	11,058	214
Decrease in valuation allowance	-	-	(3,770)	-
Defined benefit pension expense recognized in Statement of Operations and Changes in Fund Balances	$ 18,891	-	$ 9,022	-
Defined contribution pension expense	$ 1,768	-	$ 1,487	-
Other non-pension employee future benefit expense	-	$ 1,160	-	$ 595

	2005		2004	
Assumptions as at April 30:	Pension	Non-Pension	Pension	Non-Pension
Discount rate	5.70% to 6.50%	5.80%	6.30% to 6.60%	6.40%
Expected long-term rate of return on plan assets	7.00%	-	7.00%	-
Inflation	4.00%	-	4.00%	-
Salary increase, Academic Plan and SERP	5.00%	-	5.00%	-
Salary increase (inflation and productivity) Non-Academic Plan	4.50%	-	4.50%	-
Salary increase, APT retirement bonus	-	5.00%	-	5.00%
Salary increase (seniority, merit and promotion) Non-Academic Plan	Between (0.0558)% and 2.8053% depending on age	-	Between (0.0558)% and 2.8053% depending on age	-
Expected disability rate increase	-	5.80%	-	6.40%

For the Year Ended April 30, 2005

(in thousands of dollars)

Allocation of Pension Plan Assets at Market Value

	2005	2004
Asset category		
Canadian equities	19%	19%
U.S. equities	15%	18%
Non-North American equities	21%	20%
Real Estate	4%	4%
Bonds	33%	33%
Mortgages	3%	3%
Short-term investments	5%	3%
	100%	100%

12. Employee Benefits

	2005	2004
Pension Expense – Defined Benefit (Note 11)	$ 18,891	$ 9,022
Pension Expense – Defined Contribution (Note 11)	1,768	1,487
Non-Pension Employee Future Benefits (Note 11)	1,160	595
All other employee benefits	6,720	6,358
	$ 28,539	$ 17,462

13. Internally Restricted Fund Balances

Funds involved and policy:	2005	2004
General – Operating: Certain faculties and departments who underspend their budgets in one year may carry forward this amount and spend it in the following year.	$ 7,055	$ 7,401
General – Vacation Pay and Pension Accrual: Pension Accrual can only be used to benefit pension plan members, vacation accrual can only be used as vacation	12,169	29,337
General – Ancillary: Ancillary operations must be self-funding. Positive fund balances are used by ancillaries while negative fund balances must be recovered.	(791)	589
General Fund total	$ 18,433	$ 37,327
Restricted – Research: Certain research is sponsored by various faculties and departments within the University.	$ 2,478	$ 2,817
Restricted – Trust: Amounts transferred from General – Ancillary Fund to be used for future parking facilities.	924	414
Restricted Fund total	$ 3,402	$ 3,231

For the Year Ended April 30, 2005
(in thousands of dollars)

14. Interfund Transfers

Each year, the University transfers amounts between its funds for various purposes. These include funding capital asset purchases, and reassigning fund balances to support certain activities.

	General		Restricted		Endowment	
	2005	2004	2005	2004	2005	2004
Asset purchases recorded in Restricted – Capital Asset Fund	$ (4,339)	$ (3,007)	$ 4,339	$ 3,007	$ -	$ -
Trust support of fundraising campaign	559	-	(559)	-	-	-
Support for central computing assets	980	1,030	(980)	(1,030)	-	-
Support for Research	(55)	(324)	55	324	-	-
Close Language Institute funds	-	-	-	-	-	-
Ancillary parking revenue to building trust	(468)	(136)	468	136	-	-
Support for asset purchases	(2,172)	(1,836)	2,172	1,836	-	-
Administrative support from research	3,445	1,576	(3,445)	(1,576)	-	-
Support for special projects	1,487	730	(1,487)	(730)	-	-
Trust interest support of Campaign costs	-	500	-	(500)	-	-
Department of Learning – Technology Enhanced Learning funds	826	291	(826)	(291)	-	-
Trust Funds transfers to Endowment	-	-	(327)	(244)	327	244
Other miscellaneous transfers	(799)	(794)	794	754	5	40
New Residence Debt payments from Ancillary	(340)	-	340	-	-	-
	$ (876)	$ (1,970)	$ 544	$ 1,686	$ 332	$ 284

15. Budget Versus Actual for 2005

The University of Regina budgets for the change in the accumulated fund balance (deficit).

General – Operating Fund:

	Budget	Actual
Revenues	$ 107,345	$ 109,549
Expenses	107,859	109,414
Net revenues (expenses)	(514)	135
Interfund Transfers	514	(1,463)
Net increase in fund balance for year	$ -	$ (1,328)

For the Year Ended April 30, 2005

(in thousands of dollars)

The University's General – Operating Fund revenue budget of $107,345 is net of internal operating recoveries of $4,757.

The University's General – Operating Fund expense budget of $107,859 is net of library acquisitions of $2,596, internal operating recoveries of $4,757, and budgeted interfund transfers-in of $514.

The Interfund transfer budget is comprised of transfers-in of $3,110 excluded from the expense budget, and library acquisitions of $2,596.

General – Ancillary Fund:

	Budget	Actual
Revenues	$ 11,530	$ 10,707
Expenses	13,318	10,904
Net revenues (expenses)	(1,788)	(197)
Interfund Transfers	-	(1,183)
Net increase in fund balance for year	$ (1,788)	$ (1,380)

The Ancillary Fund revenue and expense budget is net of internal sales of $1,178.

General – Special Projects Fund:

	Budget	Actual
Revenues	$ 250	$ 3,019
Expenses	250	4,107
Net revenues (expenses)	-	(1,088)
Interfund Transfers	-	1,781
Net increase in fund balance for year	$ -	$ 693

Restricted – Capital Asset Fund:

	Budget	Actual
Revenues	$ 5,533	$ 44,142
Expenses	4,853	20,644
Net revenues (expenses)	680	23,498
Interfund Transfers	-	11,181
Net increase in fund balance for year	$ 680	$ 34,679

The Restricted – Capital Asset Fund budget sets out expected government grant revenues from the Department of Learning of $5,533 for capital projects. The University actually received

$41,535, of which $30,000 is to be used to build a new Lab Building. The University does not budget for expected income from operating leases, Government of Canada grants, other government grants and contracts or contributions, gifts, donations and bequests. Revenues from those sources totaled $2,606.

The University expected to spend $4,853 on capital asset purchases and rental, maintenance, renovations and Restricted – Capital Asset Fund related expenditures. Actual expenses (net of unbudgeted capital asset amortization of $16,102) totaled $4,542. The Restricted – Capital Asset Fund also purchased assets totaling $21,824 that were capitalized and not expensed.

The University budgeted for interfund transfers to/from the Restricted - Capital Asset Fund totaling $0. Actual interfund transfers-in totaled $11,181.

Restricted – Research Fund:

	Budget	Actual
Revenues	$ 15,900	$ 23,254
Expenses	15,900	11,987
Net revenues (expenses)	-	11,267
Interfund Transfers	-	(9,942)
Net increase in fund balance for year	$ -	$ 1,325

Restricted – Trust Fund:

	Budget	Actual
Revenues	$ 8,675	$ 6,358
Expenses	4,900	4,031
Net revenues (expenses)	3,775	2,327
Interfund Transfers	-	(695)
Net increase in fund balance for year	$ 3,775	$ 1,632

Endowment Fund:

	Budget	Actual
Revenues	$ 286	$ 207
Expenses	35	3
Net revenues (expenses)	251	204
Interfund Transfers	-	332
Net increase in fund balance for year	$ 251	$ 536

Revenues are primarily dependent upon contributions, gifts, donations, bequests and investment returns.

16. Operating Leases

During the year, the University leased out one building. Two other previously leased buildings, the ISM Building and 2 Research Drive, were sold on October 1, 2003 to the Saskatchewan Opportunities Corporation (SOCO). The following table discloses information about these properties.

	ISM Building		2 Research Drive Building		Daycare Building	
	2005	2004	2005	2004	2005	2004
Capital cost	$ -	$ -	$ -	$ -	$ 577	$ 577
Accumulated amortization	-	-	-	-	158	143
Amortization expense	-	94	-	12	15	14
Outstanding debt	-	-	-	-	419	451
Principal & interest paid (net)	-	5,976	-	-	54	54
Income from Operating Leases	-	412	-	38	54	54

The University also leases 5092 square feet of space in the Centre for Kinesiology, Health and Sport Building to Health Pro Management Limited (Health Pro) for a base rent of $110 per year and additional rent based on a cost per square foot which can be adjusted annually. The effective date of this lease is August 1, 2004. The lease revenue received from Health Pro during the year was $93.

17. Related Party Transactions

a) Government of Saskatchewan

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its Board of Governors members appointed by the Government of Saskatchewan. To the extent that the Government exercises significant influence over the operations of the University, all Saskatchewan Crown agencies, such as corporations, boards and commissions, are considered related parties to the University.

For the Year Ended April 30, 2005

(in thousands of dollars)

Included in Grants and contracts – Government of Saskatchewan are Operating and other grants and contracts received from the Department of Learning as follows:

	2005	2004
General – Operating:	$ 59,862	$ 57,829
General – Special Projects:	48	38
General Fund total	$ 59,910	$ 57,867
Restricted – Capital:	$ 41,535	$ 7,372
Restricted – Research:	3,022	1,039
Restricted Fund total	$ 44,557	$ 8,411

During the year, the University received $0 (2004 - $6,250) from the Educational Infrastructure Financing Corporation (EIFC), a Saskatchewan crown agency. These amounts are included in "Grants and contracts – Government of Saskatchewan" in the Capital Asset - Restricted Fund. The University had 3 agreements with the EIFC and the Minister of Learning that set out the conditions for each allotment of money. Each agreement required the University to spend the money on specific capital projects approved by the Minister. Also, each agreement assigned a fixed interest rate and required semi-annual principal and interest installment payments over a term that approximated the useful life of the related capital project. Under each agreement, the Minister of Learning, on behalf of the University, undertook to pay the semi-annual installments by issuing grants to the EIFC from the General Revenue Fund. As such, the University did not include these amounts as long-term debt or interest expense in its financial statements. These 3 agreements were cancelled during the 2005 fiscal year.

The University currently leases land to the Saskatchewan Opportunities Corporation (SOCO). The lease is for 99 years at one dollar per year expiring on June 30, 2097. The land shall be used for and devoted to research and technology development activities.

Beginning December 1, 2000 and ending November 30, 2003, the University had leased approximately 7,500 square feet of space in the Petroleum Technology Research Centre (PTRC) Building from SOCO for one dollar per year plus its share of occupancy costs. In lieu of the first three years of rent at market rates, the University paid SOCO $400 for tenant improvements. This payment has been treated as prepaid rent which was amortized into expenses over the past 3 years beginning December 1, 2000. This lease has been renewed for a further three years at a rent of $120 per year plus its share of occupancy costs. This space is used for the business of conducting social science research and/or coordinating research related to climate change adaptation.

The University also leases approximately 28,000 square feet of space from SOCO for approximately $336 per year plus its share of occupancy costs.

On October 1, 2003, the University sold two buildings at 1 Research Drive and 2 Research Drive to SOCO for $11,000. The sale was recorded at the exchange amount.

Routine operating transactions with Government of Saskatchewan related parties are recorded at the standard or agreed rates charged by those organizations and are settled on normal trade terms. The larger of these payments are as follows:

	2005	2004
Saskatchewan Power Corporation	$ 2,555	$ 2,526
Saskatchewan Energy	145	143
Saskatchewan Telecommunications	959	532
Saskatchewan Property Management Corporation	146	214
University of Saskatchewan	158	145
Saskatchewan Workers Compensation	1	213
Saskatchewan Institute of Applied Science and Technology	40	40
Saskatchewan Opportunities Corporation	835	747
Saskatchewan Centre of the Arts	107	112
Saskatchewan Government Insurance	3	8
Saskatchewan Health	-	10
Saskatchewan Finance	27	52
Saskatchewan Justice	2	4
Saskatchewan Liquor and Gaming Authority	5	6
Saskatchewan Research Council	108	73
Saskatchewan Transportation Company	93	83
Saskatchewan Corrections	6	4
Saskatchewan Gaming Corporation	1	3
Saskatchewan Health Research Foundation	-	5
Saskatchewan Industry and Resources	1	35
Saskatchewan Learning	10	15
Regina Qu'Appelle Health Region	-	33
Saskatoon Health Region	-	15
Cumberland Regional College	1	-
Cypress Hills Regional College	1	8
South East Regional College	4	10

At year-end, the University had accounts payable to the above organizations totaling $272 (2004 - $259). The University had account receivables from the above organizations totaling $196 (2004 - $117).

b) University of Regina Crown Foundation

The University is also related to the University of Regina Crown Foundation through representation on the Foundation's Board of Trustees. The Foundation is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University for the purpose of supporting and promoting its education or research activities. It is currently not being used for this activity due to changes in income tax laws. As at the end of the year, the Foundation had no net assets.

c) Canadian Universities Reciprocal Insurance Exchange

The University of Regina is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums that are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses. An additional assessment of $0 (2004 - $44) was paid during the fiscal year. As of December 31, 2004, CURIE had a surplus of $5,995 (2003 - $100).

d) MacKenzie Art Gallery Inc.

The Gallery is custodian of a collection of artwork that is the property of the University. The University provides funding to the Gallery, which can be reduced if the government grant to the University is reduced. The Gallery's Board contains two members appointed by the University. The University holds certain money in trust for the Gallery. Income earned on this money is, from time to time, paid to the Gallery to be used to purchase additional works of art to add to the Collection and for the cleaning and restoration of works comprised in the Collection. The University also provides other operating services to the Gallery such as audiovisual, printing, and payroll services. The Gallery reimburses the University for these services.

During the year, the University applied grant money of $419 (2004 - $419) against the Gallery's receivable and paid $0 (2004 - $2) to the Gallery. The Gallery paid the University $802 (2004 - $805) for services rendered.

At April 30, the University had an account receivable from the Gallery totaling $328 (2004 - $219).

Amounts payable to the Gallery were minimal at each year-end.

The Gallery has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest totals $807 (2004 - $762). This amount is not included in the University's financial statements. The University does not charge the Gallery for this service.

For the Year Ended April 30, 2005

(in thousands of dollars)

e) Wascana Centre Authority

On April 1, 1962, the Wascana Centre Authority was constituted a body corporate under *The Wascana Centre Act*. The Government of Saskatchewan, the City of Regina and the University were named as participating parties. The University has a statutory obligation to the Authority for the cost of landscape construction and landscape maintenance performed on University owned land. Following is information regarding payments made to the Authority as prescribed by the Act.

	2005	2004
Maintenance – Authority Land	$ 299	$ 304
Maintenance – University Land	254	218
Other miscellaneous payments	289	113
	$ 842	$ 635

The University received grants of $238 (2004 - $230) from the Department of Learning to help fund the above payments to the Wascana Centre Authority.

f) Federated Colleges

Three colleges located on the main campus – Campion College, Luther College and the First Nations University of Canada are federated with the University but are financially and administratively independent. Students interested in registering in a federated college must meet the general entrance requirements of the University of Regina. Courses offered by the University and the colleges are open to all students. The University's Board of Governors sets the tuition rates that must be paid by all students. Degrees are granted by the University when students have completed all requirements. The University has agreements with the three colleges that determine how student fees are shared.

The University also provides other operating services to the colleges such as telephone, audio visual, library book purchasing, printing, and payroll services. The colleges reimburse the University for these services.

For the Year Ended April 30, 2005

(in thousands of dollars)

The University had the following receipts and receivables:

	Operating		Fee Share		Loans	
	2005	2004	2005	2004	2005	2004
Receipts from:						
Campion College	$ 609	$ 370	$ 256	$1,525	$ -	$ -
Luther College	922	867	(187)	553	111	111
First Nations University	201	43	100	-	68	41
	$1,732	$1,280	$ 169	$2,078	$ 179	$ 152
Receivable from:						
Campion College	$ 25	$ 40	$ 62	$ (52)	$ -	$ -
Luther College	127	120	19	25	810	873
First Nations University	406	421	152	708	454	459
	$ 558	$ 581	$ 233	$ 681	$1,264	$ 1,332

During the year, the University signed Infrastructure Agreements with Luther College and Campion College. Based on these agreements, the University recorded a revenue and receivable of $316 from Luther and of $264 from Campion (not included in the receivable numbers above).

First Nations University of Canada has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest, totals $696 (2004 - $658). This amount is not included in the University's financial statements. The University does not charge First Nations University of Canada for this service.

The University holds a number of trust funds on behalf of First Nations University of Canada and Luther. The University also has other small agreements with the colleges. As a result of these, the University made payments to the colleges during the year as follows:

	2005	2004
Payments to Luther College	$ 68	$ 60
Payments to First Nations University of Canada	234	725
Payments to Campion College	6	7

g) Petroleum Technology Research Centre

The Petroleum Technology Research Centre (PTRC) is a federally incorporated not-for-profit petroleum research and development corporation. The PTRC is a collaborative initiative of The University of Regina, Saskatchewan Research Council (SRC), Natural Resources Canada (NRCan) and Saskatchewan Industry and Resources (SIR).

During the year, the University received $1,289 (2004 - $1,718) from the PTRC to repay salary and benefits of the PTRC director and to fund research projects. The University also employs professors who carry out PTRC related research. These professors will remain employees of the University of Regina. It is not possible to quantify the University's contribution to the PTRC in the research areas.

h) Saskatchewan Population Health Evaluation and Research Unit

The University has signed a ten-year memorandum of understanding with the Saskatchewan Population Health Evaluation and Research Unit (SPHERU) whereby the University agrees to provide administrative and research support services to employees of SPHERU in return for an annual contribution of $80.

The University of Regina exercises significant influence over SPHERU by way of 25% of SPHERU's Board of Directors being comprised of members from the University who will be involved in the policy making process. SPHERU was established to increase Saskatchewan's overall health research capacity with an emphasis on population health and evaluation research.

SPHERU was incorporated under *The Not-for-Profit Corporations Act* on July 9, 2000. SPHERU expects to receive annual funding of $250 from Saskatchewan Health and $250 from Saskatchewan Health Research Foundation (SHRF).

18. Commitments

At April 30, 2005, the University has outstanding contractual commitments totaling $1,432 related to four major projects. The original value of these contracts is $2,243. By April 30, 2005, the University had already spent $811 related to these contracts.

The University also had open purchase order commitments in General Operating, Capital Asset, and Research Funds totaling $2,386.

19. Presentation

Certain numbers have been reclassified to conform to current year's presentation.

20. Correction of Prior Year Error

Deferred revenue in the General – Special Projects Fund was incorrectly recorded in prior years' financial statements.

The effects of this error correction have been applied retroactively. The impact on the financial statements as a whole is as follows:

For the Year Ended April 30, 2005
(in thousands of dollars)

Impact on Fund Balance:	2005	2004
Fund balance, beginning of year, as previously reported	$ 204,851	$ 186,236
Error correction – decrease in deferred revenue	2,239	2,424
Fund balance beginning of year, as restated	$ 207,090	$ 188,660

Impact on net revenues (expenses):	2004
Net revenues (expenses) as previously reported	$ 18,615
Error corrections	
– increase grants and contracts Government of Canada	21
– decrease grants and contracts Government of Saskatchewan	(231)
– decrease grants and contracts Other	(89)
– increase student fees	79
– increase contributions, gifts, donations and bequests	24
– increase sales of services and products	31
– decrease miscellaneous income	(20)
Net revenues (expenses) as restated	$ 18,430

UNIVERSITY OF
REGINA

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